

## STATE PROPERTIES COMMITTEE MEETING

TUESDAY, AUGUST 7, 2007

The meeting of the State Properties Committee was called to order at 10:04 a.m. by Chairman Kevin M. Flynn. Other members present were Mr. Robert Griffith representing the Rhode Island Department of Administration; Richard B. Woolley representing the Rhode Island Department of Attorney General; Robert W. Kay and John A. Pagliarini, Jr., Public Members. Others in attendance were Gerald Ratigan from the Rhode Island House of Representatives; Xaykham Khamsyvoravong from the Rhode Island Office of the General Treasurer. Steven Feinberg, from the Rhode Island Film & Television Office; Donna Bloom, Audra Gorman and Luke Ramsey, from Brotherhood Productions, Inc.; Robert C. Bromley from the Rhode Island Senate Fiscal Office; Annette Jacques and Michael Mitchell from the Department of Administration; Director Jerome F. Williams, Rick Kalunian and Maureen McMahon from the Rhode Island Department of Transportation; Director Michael W. Sullivan, Lisa Primiano, Mary E. Kay and Michelle Sheehan from the Department of Environmental Management; Louis Saccoccio, J. Vernon Wyman and Jay David from the University of Rhode Island; Mark Carruolo and Daniel Geagan from the City of Warwick; Robert Stolzman from Adler Pollock & Sheehan PC; and Steve Peoples from the Providence Journal Bulletin.

Chairman Flynn suggested that as not all of the members have had the opportunity to review the minutes, he indicated that the State Properties Committee will refrain from taking any action relative to the approval of minutes until the August 21,

2007, meeting of the State Properties Committee. A motion was made to approve by Mr. Kay and seconded by Mr. Griffith.

Passed Unanimously

ITEM A -Department of Environmental Management -A request was made for approval of and signatures on a Purchase and Sale Contract for the acquisition of approximately 15,750 square feet of land located in Central Falls owned by TAI-0 Associates, L.P. Director Sullivan indicated that the subject property is a fairly insignificant property with a significant roll in a project, in which the Department of Environmental Management and members of its federal and private partners are interested. The Elizabeth Webbing Dam represents one of four barriers to the restoration of anadramous fisheries in the Blackstone River. Director Sullivan explained that anadramous fish are the alewife and herring and the other fish journey from saltwater to freshwater in order to spawn. Director Sullivan explained that what the Department of Environmental Management wants to gain access for these anadramous fish to Valley Fall's pond and waters above, which are prime spawning ground. Director Sullivan indicated that the USDA National Resources Conservation Service has executed three cooperative agreements with the owners of the dam above the Elizabeth Webbing Dam together with the owners of the two (2) dams below it, whereby the engineering work to design fish ladders and design a management program will all occur within the next year leading towards the construction of fish ladders on those three (3) dams within the next thirty (30) months. The Elizabeth Webbing Dam is unique in that there is some interest from the commercial side regarding hydro power; however said dam is an exceptionally low head dam. Director Sullivan indicated the power house was flooded for multiple

years. There are environmental issues associated with the current conditions. The floodgates are in poor repair. The Department of Environmental Management has looked at the long term costs and many of the long term needs. One of the things the Department of Environmental Management is lacking is public access in urban environments for people who want to enjoy canoeing, kayaking or fishing. This acquisition represents an opportunity for the Department of Environmental Management to acquire a small piece of property for said public access with parking lot for public utilization across the street. Ms. Primiano presented a photograph of the parking lot for the Committee's review. This acquisition represents a way to avoid substantive costs into the future in that the average construction cost for a fish ladder is approximately one million dollars. The annual cost of for the operation of a fish ladder is anywhere from \$10,000 to \$25,000 per year depending on the nature of the facility. Director Sullivan indicated that the Department of Environmental Management commissioned an appraisal of the property. The appraised value is actually higher than the amount the Department of Environmental Management has agreed to pay in accordance with the Purchase and Sale Agreement. The Department respectfully requests that Committee's endorsement of this acquisition to allow the Department of Environmental Management to acquire the property for public access to the river. Said acquisition will allow the Department of Environmental Management to avoid the costs of constructing a fish ladder, as the Department may enter into an agreement with the U.S. Fish and Wildlife Service to investigate changes to the dam to accommodate fish passage without the necessity of a fish ladder. Director Sullivan stated that this is a reasonable, prudent and well thought out acquisition. Director Sullivan indicated that the funds for this project are leveraged

from federal sources at a ratio of three (3) to one (1), and even more in some cases.

Chairman Flynn asked if Slater Mill is part of the restoration project. Director Sullivan indicated that yes Slater Mill is involved as well as Pawtucket Hydro Power. Director Sullivan explained this has been along negotiation process. Some of the issues are exceptionally subtle and include concerns relative to low water flow to the hydro and the possible reduction of its generational capacity. Director Sullivan indicated that owning the Elizabeth Webbing Dam it would allow the Department to manipulate water flow to some of the other facilities to optimize conditions where low water flow and fish passage are occurring simultaneously. Chairman Flynn asked if the construction of a fish ladder at this site may not be the best approach and suggested that an elimination of the dam may be a more beneficial option. Director Sullivan indicated that U.S. Fish and Wildlife Service is tremendously excited by the possibility of the Department of Environmental Management eliminating the dam. The Department of Environmental Management will certainly investigate that option. However, the Department of Environmental Management does not yet know enough about the nature of the sediments behind the dam and is engaged in a process to assess the sediments to determine whether they contain harmful levels of various constituents. Once that has been determined, the Department of Environmental Management can further investigate the possibility of breaching the dam. Mr. Griffith stated that it is his understanding that Department of Environmental Management plans to utilize the Elizabeth Webbing Dam to regulate water flow. However, Mr. Griffith noted that an elimination of the dam would make it impossible for the Department to regulate water flow. Director Sullivan explained that removing the dam would create additional head because the delta from point A to point B would create

a higher generational capacity. Director Sullivan indicated that part of what the Department of Environmental Management is trying to assess in examining the option of eliminating the dam is whether the two (2) facilities below the dam are engineered to exploit that additional head. Mr. Griffith indicated that if you have fish passage and low water flow occurring simultaneously, removing the dam would eradicate the Department of Environmental Management's ability to regulate the water flow to accommodate that circumstance. Director Sullivan stated that if the dam is removed the Department of Environmental Management could not regulate water flow under those circumstances. Director Sullivan indicated that the Department of Environmental Management is not committed to removing the dam, but is simply committed to investigating that option. Mr. Kay asked if the Elizabeth Webbing facility is still in operation. Director Sullivan indicated that the facility is in the advanced stages of being rejuvenated as a mixed-use development. Mr. Kay asked if said redevelopment is the cause of the environmental issues. Director Sullivan indicated the environmental concerns involve historic uses and the processes employed that involved heavy metals such as cadmium and chromium. Mr. Pagliarini asked if the purchase is contingent on a Phase I or a Phase II study as this is a former industrial site. Ms. Primiano explained that the environmental site assessment has already been completed by the current owner and a restoration plan has been submitted to the Department of Environmental Management for its review process. The plan requires the capping of the 15,000 square foot site. Ms. Kay indicated that the environmental assessment has been completed and all remediation requirements are addressed in Section 10 of the Purchase and Sale Agreement. The site will be fully remediated prior to the Department of Environmental Management acquiring the property and all costs

associated with said remediation are the responsibility of the current owner. The investigation has already been done and this is addressed in Section 10 of the purchase and sale agreement. Mr. Pagliarini asked who conducted the appraisal of the property. Ms. Primiano indicated that the appraisal was done by Integra Realty Resources. Mr. Pagliarini indicated that public records available through the City of Central Falls show that this property was purchased on December 27, 2006, for \$1.25 million dollars. Mr. Pagliarini indicated that said purchase included a 32,000 square foot building on 4.7 acres of land. The Department of Environmental Management is now seeking approval to purchase one twelfth of that land with no building for one third of the previous purchase price. In light of that information, Mr. Pagliarini questions the appraisal and the method used to establish the current value of the land. Director Sullivan explained that when the Department of Environmental Management first commissioned an appraisal of the property, its purpose was to examine some of the conflicting missions between the energy office and the Department of Environmental Management. Under the Governor's leadership, the Department of Environmental Management was urged to investigate alternative sources. The Department of Environmental Management looked at the hydro and what its renovation to functional condition would involve. The Department of Environmental Management also conducted due diligences relative to the construction of a fish ladder. The Department of Environmental Management also looked at it the property in terms of providing public access portholes. The appraisal valued the property at \$450,000. Director Sullivan explained that Department of Environmental Management will acquire the real estate in fully remediated condition. Director Sullivan indicated that the property will provide a platform from which the public can view and access the river

with no compromises in use whatsoever. TAI-0 Associates, L.P. will absorb all remediation costs. Mr. Woolley asked if this acquisition involves an easement. Director Sullivan indicated that the acquisition involves an easement and indicated that Ms. Primiano has conferred with the City of Central Falls, because one of the initial issues was that a title search revealed the property is in condominium ownership and the Department of Environmental Management is not interested in having a condominium fee associated with property utilized by the public. The City of Central Falls has agreed to release this portion of the property from condominium ownership and defined access from the edge of the property will be provided. Mr. Woolley clarified that the acquisition includes the parking lot across the street and access over the condominium property from Roosevelt Avenue onto the site. Chairman Flynn noted for the record that a letter of objection from by Duncan Broatch of Summit Hydro, LLC regarding the Department of Environmental Management's request to purchase the subject property has been provided to the members of the Committee. Chairman Flynn noted that this property is rather an unusual property to appraise. Chairman Flynn indicated that the Committee could recommend a review of the appraisal as a condition of approval. Mr. Pagliarini stated that Rule 603 of the State Properties Committee's Rules and Regulations states that the Committee may grant final approval of the Purchase and Sale Contract only after the Department has negotiated the terms and conditions of an agreeable contract. Mr. Pagliarini indicated that Rule 604 states that once the State Properties Committee grants approval, the agency shall then execute the contract. Mr. Pagliarini indicated that since his appointment to this Committee, documents which come before it have already been executed prior to the Committee granting approval. Mr. Pagliarini

requested that the Department of Environmental Management provide him with a copy of the appraisal of the subject property. Mr. Pagliarini stated that he has noticed a pattern with certain appraisal firms. Mr. Pagliarini feels he is qualified to review an appraisal and would like the opportunity to review property appraisals prior to voting to approve a request to convey State owned property. Mr. Pagliarini clarified that this is not to say that the State's prices are not fairly negotiated. However, he believes that in order to make a more educated decision, he needs to know how the value of a property is determined. Mr. Pagliarini indicated that during his short tenure on this Committee a certain appraisal firm's name continually arises and he questions some of the property values established by this firm. Director Sullivan stated that there are three (3) appraisal firms on the master price agreements and the Department of Environmental Management utilizes all of the firms as possible and as they are able to respond to the needs of the Department. Director Sullivan indicated that the Department would be delighted if the Department of Administration expanded the appraisal opportunities available. However, in this case, the Department utilized one of three (3) choices. Director Sullivan also indicated that he will be happy to provide a copy of the appraisal to Mr. Pagliarini or any other Committee member for their review. Ms. Kay stated that relative to Mr. Pagliarini's comments concerning procedure, the Department executes purchase and sale agreements subject to the approval of the State Properties Committees. Ms. Kay indicated that the reason is because the State Properties Committee does not want to review documents until they are in their final form. Therefore, by having both parties conditions. Mr. Pagliarini asked if the Committee's approval is a condition precedent, or



execute the agreement, the Committee is assured that the parties agree to the terms and

conditions. Mr. Pagliarini asked if the Committee's approval is a condition precedent, or

a condition subsequent. Director Sullivan indicated that if the State Properties Committee does not approve an agreement, said agreement becomes void. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

Chairman Flynn suggested that as a courtesy to Director Sullivan and the representatives of the City of Warwick, the Committee will hear Item F out of order.

ITEM F -Department of Environmental Management –A request was made for conceptual approval for the acquisition of a Conservation Easement and Public Access Easement over forty-one (41) acres of land located in the City of Warwick; a portion of the property formerly referred to as Rocky Point Park. Director Sullivan indicated that a phenomenal opportunity has arisen for the Department of Environmental Management to purchase a Conservation Easement and Public Access over forty-one (41) acres of land located in the City of Warwick. Director Sullivan indicated that the current proposal is for the acquisition of a Conservation Easement and in a relationship with the City of Warwick to acquire approximately one (1) mile of shoreline at a minimum of two hundred (200) feet of width along said shoreline and an abutting larger parcel of land consisting of approximately twenty-six (26) acres of land on the hillside and some additional acreage ending in the northern area. Director Sullivan indicated that the acquisition is somewhat unusual in that the Department is providing a grant to the City of Warwick, with the City to match federal funds on a property, which is controlled by the Federal Bankruptcy Court where the Small Business Association is the fiduciary to the Court. Therefore, the acquisition is a partnership between the City of Warwick, in conjunction with the Small Business Association, with a proposal to the Federal

Bankruptcy Court. The Department of Environmental Management is respectfully requesting the Committee's approval for the public's continued access to forty-one (41) acres of a very memorable property. Director Sullivan stated that the Department is seeking conceptual approval at this time. In terms of the money there is approximately \$2.2 million dollars of federal funds that will be matched between the City and the Department to protect this land for public use and perpetuity. Mark Carruolo, Planning Director for the City of Warwick stated that the City is working under extremely tight deadlines through the National Oceanic and Atmospheric Agency (the "NOAA") grant, which expires on September 30, 2007. The City is working in concert with the Department of Environmental Management to put together the Purchase and Sale Agreement as well as with the Small Business Association (the "SBA") and the Department for a Conservation Easement. Mr. Carruolo indicated that the agreements are approximately ninety-five (95%) percent complete. Mr. Carruolo expects that the Agreement between the City of Warwick and the SBA will be executed today. The appraisal of the property will be completed along with all other documentation and shall be submitted to the NOAA by the end of the week in order for the NOAA to begin its review process. Mr. Carruolo indicated that the City of Warwick fully supports this project. In fact, Mr. Carruolo appeared before the Warwick City Council approximately three (3) weeks ago and received unanimous approval from the Council. There is \$2.2 million dollars in federal funds, 1.4 million dollars in State funds and \$800,000 in local funding to preserve in perpetuity waterfront access at Rocky Point. The City of Warwick believes this is a tremendous project and asked for the support of the State Properties Committee. Chairman Flynn asked what will happen to the balance of the property. Mr.

Carruolo indicated that it is speculated that the City of Warwick will receive a proposal for the development of two hundred twenty (220) to three hundred fifty (350) residential units on the property. Mr. Carruolo indicated that he is not at liberty to divulge the name of the developer at this time. However, it is expected that the SBA will consider the City's agreement together with the agreement between the perspective developer and the Federal Bankruptcy Court within the next two (2) weeks. If said agreements are approved by the Court, they will consummate this project and shortly thereafter, it is expected that the SBA will have a closing with the perspective developer. Chairman Flynn noted that another developer has previously submitted a proposal; however, said proposal fell through. Mr. Carruolo indicated that there was a previous proposal for three hundred ninety-five (395) residential units. Mr. Carruolo indicated that pursuant to said proposal there would have been substantial infrastructure costs associated with the development, in which the City of Warwick was unwilling to participate. Therefore, in light of these issues, the developer decided not to proceed with the project. Director Sullivan indicated that the previous developer wanted the Department of Environmental Management to contribute \$13 million dollars for virtually the same deal before the Committee today. Mr. Pagliarini asked if the public's access to the subject property will be statewide. Director Sullivan indicated that access will be unconditional statewide access. Mr. Griffith asked if the subject property will be utilized for passive recreation. Director Sullivan indicated that the property will be utilized for all forms of passive recreation. However, active recreation such as fishing from the pier has not been precluded. A motion was made to approve by Mr. Woolley and seconded by Mr. Pagliarini.

Passed Unanimously

ITEM B -Department of Transportation -A request was made for reconsideration of the Agreement dated May 9, 2006, by and between the State of Rhode Island Department of Administration and Boston Investment Property #1 State for the sale of property adjacent to One State Street in the City of Providence. Chairman Flynn asked if all the Committee members have received a memorandum from Director Williams, which contains new information and/or restated information. Mr. Pagliarini indicated that the item does not properly appear on the State Properties Committee's agenda. It is Mr. Pagliarini's opinion that an item can only be reconsidered by one of the members who previously voted in the majority to deny the request. Mr. Pagliarini stated that an applicant whose request has previously been denied does not have the right to return to the Committee for reconsideration of its request. As such, Mr. Pagliarini asked Chairman Flynn to provide guidance regarding whether this item is properly before the State Properties Committee. Chairman Flynn noted that perhaps one of the members who voted in the majority for the denial of the Departments request is willing allow the Department of Transportation to present new information by making a motion to reconsider. Mr. Pagliarini indicated that in that event, the item will have to return to the Committee in two weeks as it is not properly posted in accordance with the Open Meetings Act. Chairman Flynn noted that the item is on the agenda and was properly posted. Mr. Pagliarini indicated that unless documentation can be produced evidencing that a Committee member requested this item be placed on the agenda for reconsideration in accordance with the requirements of the Open Meetings Act, namely the forty-eight (48) hour prior public posting requirement, the item is improperly before the Committee

at this time. Mr. Pagliarini made a motion to table this item and all correspondence stricken relating to Item B. Said motion was seconded by Mr. Kay. A roll call vote was taken and the votes were as follows: Mr. Kay voted "Aye", Mr. Pagliarini voted "Aye", Mr. Woolley voted "Nay", Mr. Griffith voted "Nay" and Chairman Flynn voted "Nay".

Motion Fails Two (2) Votes Aye  
To Three (3) Votes Nay

Mr. Pagliarini then asked that Chairman Flynn provide guidance regarding who will be permitted to vote relative to this item. Mr. Pagliarini indicated that in his opinion only the members that previously voted on the motion to deny should be permitted to vote at this time as the Committee is reconsidering testimony which was given at the last meeting. Chairman Flynn informed Mr. Pagliarini that all Committee members present today shall have the right to vote. Mr. Pagliarini noted for the record that he disagreed with Chairman Flynn's recommendation. Chairman Flynn asked for guidance from Mr. Woolley of the Department of Attorney General. Mr. Woolley indicated that one of the issues is whether Roberts Rules of Order applies to the State Properties Committee. Mr. Woolley indicated that it is his opinion and the opinion of the Deputy Attorney General that although Roberts Rules of Order may be used as a guideline, it neither appears in the Rules and Regulations of the State Properties Committee, nor in the statute. Mr. Woolley indicated that it behooves the State Properties Committee to be open to reconsider issues, which come before the Committee in order to ensure that a request is fully vetted and that the best interest of the State of Rhode Island served. Mr. Woolley recommended that the Committee should err on the side of caution and if reconsideration is warranted then the Committee should be open to reconsideration as opposed to refusing to even consider allowing an agency to present new or more thorough information. Chairman Flynn

agreed that the Committee should be open to contemplate additional or more detailed information relative to any request which comes before the Committee. Chairman Flynn believes that the Department of Transportation is simply requesting the opportunity to present further information. Mr. Pagliarini disagreed with this logic and indicated that the burden is on the applicant to present clear and concise information and if the applicant disagrees with the decision of the State Properties Committee, it should not be allowed to come back to present further information in an attempt to obtain the a more desirable decision from the Committee. Mr. Pagliarini indicated that if this was a court oflaw or a zoning board hearing, the applicant would be required to wait twelve (12) months and substantially amend its request before reconsideration would be allowed. Mr. Pagliarini indicated that this is merely a case of sour grapes. The Department of Transportation's request was denied and the Committee should stand behind its decision. Chairman Flynn indicated that Mr. Pagliarini is certainly entitled to his opinion; however, it has not been the tradition of this Committee to refuse to allow an agency to present further information for reconsideration . Mr. Pagliarini indicated that in that case, an applicant, knowing the vacation schedules of the members, could wait to place an item on the agenda until such time as there is a more favorable attendance. Mr. Pagliarini stated that he is not implying anything. Chairman Flynn informed Mr. Pagliarini that it is quite evident that he is in fact implying something. Mr. Pagliarini provided the following scenario to further illustrate and clarify his concerns:

"IfI'm on vacation next meeting and somebody has a hot item that they know I am going to object to. Case in point, we had a controversial item on Spruce Street. They can basically say Mr. Pagliarini voted no and he is not going to be at the meeting four weeks from now so I want to be reconsidered at that meeting. Ifthe majority votes with that, they win. I disagree with it. I think

it is poor policy, poor precedent."

Mr. Pagliarini indicated that he is not concerned with what the State Properties Committee has done in the past and he believes the Committee is setting a harmful precedent to allow a request back when approval has previously been denied. Chairman Flynn indicated that with all due respect he will procure guidance from the Department of Attorney General relative to this issue. Mr. Woolley stated that as he voted in the majority to deny the request at the previous meeting, he moves to reconsider Item B and allow the Department of Transportation to be heard. Said motion was seconded by Mr. Griffith. Said motion Passed four (4) votes Aye and one (1) vote Nay.

Four Votes Aye

Mr. Woolley  
Mr. Griffith  
Mr. Kay  
Chairman Flynn

One Vote Nay

Mr. Pagliarini

Mr. Mitchell indicated that Director Williams requested he return to the Committee for reconsideration because not all the pertinent information was presented at the previous meeting. Mr. Mitchell apologized to the Committee for any oversight on his part. Mr. Mitchell indicated that Director Williams was involved with this contract during his tenure with the Department of Administration and still fully supports the sale of the parking lot behind One State Street to Boston Investment Property in part because the State recovered seventeen (17) parking spaces in the Department of Administration's parking lot as a result of this contract. The State will retain the use of these seventeen (17) parking spaces until 2014. The Department of Transportation has computed the



value of those spaces, based upon the value of the thirteen spaces across the street, to be approximately \$27,000 per year for the seven years term for a total of \$192,000. In addition, the State recovers additional rental value from the parking spaces located across the street in the amount of approximately \$21, 000 per year. Mr. Mitchell indicated that the sale of the subject property will bring additional revenue to the State of Rhode Island. Mr. Mitchell stated that the subject property is encumbered by a lease until 2014. Mr. Mitchell explained that the State of Rhodes Island did enter into an agreement with Boston Investment Property, which they relied upon and conducted a survey of the property and undertook the cost of the necessary title work to determine what property the State owns and how it was acquired. Chairman Flynn asked when the contract was signed. Mr. Mitchell indicated that the contract was executed in 1993. Boston Investment Property is cunently under an extension of said contract, which the State Properties Committee believed was in the best interest of the State and went forward with the return of the seventeen (17) parking spaces in the Department of Administration's parking lot. Chairman Flynn asked Mr. Mitchell to explain the process by which Boston Investment Properties initially obtained the right to utilize the seventeen (17) parking spaces in the Department of Administration's parking lot and the process by which the State negotiated those parking spaces to be returned to use by the State. Mr. Mitchell explained that it is his understanding the there was a condemnation of property for the realignment and reconfiguration of State Street. As a result of that condemnation, the State took property from the owner of the One State Street property and therefore they were entitled to monetary damages for the loss of said property. Therefore, the State negotiated a settlement by which the State provided the property owner with seventeen

(17) parking spaces in the Department of Administration's parking lot for the loss of thirteen (13) parking spaces due to the condemnation. Mr. Mitchell explained that in 2006, the State of Rhode Island entered into an agreement with Boston Investment Properties whereby they would return the seventeen (17) parking spaces and the State agrees to sell the property located behind One State Street consisting of thirteen (13) parking spaces. Under the Agreement, Boston Investment Property has the legal right to utilize those thirteen (13) parking spaces until 2014. It is Chairman Flynn's understanding that if the State of Rhode Island reneges on its agreement to sell the property located across the street, Boston Investment Property also has the right to reacquire the seventeen (17) parking spaces in the Department of Administration's parking lot. Mr. Mitchell indicated that although he cannot speak for Boston Investment Property, he believes it would seek to either have the contract reinstated or seek monetary damages for the loss of the seventeen (17) parking spaces. Mr. Pagliarini stated that during the presentation of Item A, legal counsel for the Department of Environmental Management stated that all purchase and sale agreements are under a condition precedent to come before the State Properties Committee for approval. Mr. Mitchell indicated that the State Properties Committee granted final approval of the Agreement on May 9, 2006. Mr. Pagliarini questioned why the Department of Transportation appeared before the State Properties Committee on July 26, 2007, seeking the Committee's approval. Mr. Mitchell indicated that because the survey and title search recently determined that the Department of Transportation controlled the subject property and not the Department of Administration, the Department of Transportation had to conduct its internal process and return to the State Properties Committee for authority to obtain an appraisal of the

property. Mr. Pagliarini asked Chairman Flynn to clarify whether the Department of Transportation previously sought final or conceptual approval of the State Properties Committee relative to this Agreement. Mr. Pagliarini indicated that if Boston Investment Property did not have the final approval of the State Properties Agreement then it conducted the survey and title search at its own peril and should not have conducted the survey and title search until such time as the Committee granted final approval. Mr. Pagliarini indicated that the rules of the State Properties Committee were being undermined by the Department of Transportation as Rule 603 states that an agency must appear before the Committee for final approval and then return with executed documents. Therefore, the continued acceptance of documents such as the subject Agreement does nothing but neuter the State Properties Committee to a rubber stamp body. Mr. Pagliarini stated that Mr. Mitchell is suggesting that because the applicant has already conducted the survey and a title search, the State Properties Committee is compelled to grant approval for the sale of the subject property. Mr. Pagliarini asked what the purchase price of the property is. Chairman Flynn indicated that the issue is whether it is in the State's best interest to sell Boston Investment Property the subject property. Chairman Flynn reiterated the if the State of Rhode Island refuses to convey the subject property to Boston Investment Property, they may reassert their right, by previous agreement, and acquire seventeen (17) parking spaces now being utilized by State employees. Chairman Flynn indicated that if the Committee is attempting to maximize the State's use of the limited parking in this area, it would be counter productive to once again give up those seventeen (17) parking spaces. Mr. Pagliarini indicated that the vote to deny this request was not arbitrary or capricious. The members had a valid discussion

regarding the request before the Committee and voted to deny the Department of Transportations' request to convey the subject property. Attorney Robert Stolzman, representing Boston Investment Property, indicated that the adversarial discussion relative to this matter has already taken place and that on May 9, 2006, the Committee approved and executed a binding contract whereby the State of Rhode Island agreed to convey the subject property and in exchange Boston Investment Property will relinquish use of the seventeen (17) parking spaces located in the Department of Administrations' parking lot. Mr. Stolzman indicated that Boston Investment Property is ready, willing and able to proceed under the terms and conditions of the Agreement. Mr. Woolley indicated that the May 9, 2006 Agreement in part reads "the obligation of the State to sell the North Lot to Boston shall be subject to requirements of the Rhode Island law, including but not limited to, the rights of other State agencies to accept transfer of the care, control and custody of the North Lot pursuant to transfer by the Governor in accordance with R.I.G.L. 37-7-6 and the right of the City of Providence to purchase the North Lot under the same terms and conditions as contained in this Agreement pursuant to R.I.G.L. 37-7-3 or 37-7-5". Mr. Woolley stated that it seems to him that there are thirteen (13) parking spaces within walking distance of 1000 State employees in area, which suffers from chronic parking issues. Mr. Woolley does not agree that the problems ends when the General Assembly's session ends; "parking is always a problem here". Mr. Woolley recommended that the surplus property package concerning this property be re-circulated to the various State agencies to give them the opportunity to make a more informed decision as to whether they are interested in obtaining these thirteen (13) parking spaces. Chairman Flynn asked Ms. Rhodes to explain the process by which this

property was offered to the various State agencies, as surplus property. Ms. Rhodes indicated that a comprehensive information package was forwarded to State agencies which included a memorandum from the Director of the Department of Transportation, a completed Request to Convey State Property Form, a completed Action Request Form, three (3) site maps, highlighted to illustrate the location of the property and finally a photograph of the parking lot. Ms. Rhodes indicated that a form requesting the agencies provide their comments and/or objections relative to a proposed transfer of State-owned surplus land is also included. Ms. Rhodes stated that each of the returned forms indicate that the agencies have no use for the property and no objection to its conveyance. Ms. Rhodes indicated that the completed forms are retained in the file should anyone wish to review them. Mr. Woolley feels the information distributed was not emphatic enough relative to this property and a more comprehensive package that clearly illustrates that the subject property consists of thirteen (13) parking spaces within walking distance to the State House, the Department of Health and the Department of Administration should be re-circulated. Mr. Griffith indicated that he believes a certain amount of bureaucratic reflex may be to blame for the tendency of the various agencies to not thoroughly examine material which demands attention. However, Mr. Griffith is not convinced that is sufficient reason to require a recirculation of the surplus package relative to this property. Mr. Griffith asked whether general offices, the Offices of the Speaker and the Senate Majority received the surplus property information package. Mr. Griffith believes these offices should receive a copy of the surplus package as they also have an interest in parking on Capitol Hill. Mr. K.hamsyvoravong of the Office of the General Treasures indicated that he received a copy of the material distributed relative to the subject

property and he processed it as not having any interest in a parking lot, which is located three lots away from his office. However, Mr. Khamsyvoravong questions who is looking out for the use of public property that is of high value to everyday citizens who come here to conduct business on Capitol Hill or the larger State-employee population who come to Capitol Hill. Mr. Khamsyvoravong feels that it is the responsible of the State Properties Committee to consider the public policy prospective of the use of public property. Mr. Pagliarini indicated that both Mr. Mitchell and Mr. Stolzman stated that the appraisal of the subject property has not been completed. If a value has not been established then the parties have not satisfied all of the terms of the Agreement, because the City of Providence could not have been asked whether it chooses to exercise its preemptive right of first refusal without an appraised value. Therefore, Mr. Pagliarini believes that this is still an open item. Mr. Pagliarini stated that this parking lot has great value to the general public beyond State employees and that the Committee should uphold its decision to deny this request to sell the subject property. A motion was made to deny the Department of Transportation's request to convey the subject property to Boston Investment Properties by Mr. Pagliarini and seconded by Mr. Kay.

Under discussion, Chairman Flynn asked Mr. Mitchell how it would be possible for the City of Providence to exercise its preemptive rights without a value first being established. Mr. Mitchell indicated that neither the municipality, nor the former owner will receive the requisite notice indicating that they have a statutory right until the property's value is established. The Agreement requires the Department of Transportation to have an appraisal done by an MAI appraiser. Once that appraisal has been completed and is accepted by Boston Investment Property, the Department will

then have to send the former owner if any and the City of Providence the statutory notice indicating that they have a right to purchase the property. Mr. Pagliarini indicated that just recently the Town of Westerly chose to exercise its preemptive right to purchase property offered by the Department. The item then came back to the State Properties Committee for final approval. Therefore, the instant item remains open until such time as the Department of Transportation has exhausted all the condition precedent. Mr. Pagliarini reiterated that the Department of Transportation has not completed the condition precedents and therefore it is inappropriate that final approval is granted at this time. Mr. Pagliarini stated that if the Committee is granting conceptual approval than the process would have to start all over again. Chairman Flynn disagreed and stated that once conceptual approval is granted, the Department of Transportation will have to complete an appraisal in accordance with the Agreement and send the former owner if any and the City of Providence the requisite notice indicating that they have a right to purchase the property in accordance with the statute. Mr. Pagliarini stated that whether a survey was completed and a title search title search done is of very little consequence as the preemptive rights of the City and/or the former owner could still be exercised. Mr. Pagliarini stated that his motion to deny stands. Chairman Flynn asked if there was any further discussion and stated that a motion to deny has been made and seconded. A roll call vote was taken and the votes were as follows: Mr. Pagliarini voted "Aye" Mr. Kay voted "Aye", Mr. Griffith "Nay", Mr. Woolley voted "Nay"; and Chairman Flynn voted "Nay".

Motion Fails

A motion was made to approve the Department of Transportation's request by Mr. Griffith and seconded by Mr. Woolley. Said motion Passed three (3) votes Aye to two (2) votes Nay.

Three (3) Votes Aye

Mr. Woolley  
Mr. Griffith  
Chairman Flynn

Two (2) Votes Nay

Mr. Pagliarini  
Mr. Kay

Mr. Pagliarini asked that the motion to approve be amended to require the State Properties Committee to again offer the subject property to the State agencies, the general offices and the Majority Leader, Speaker of the House and President of the Senate in accordance with the surplus property procedure. The motion was amended to that effect by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM C -Film and Television Office -A request was made for permission for Brotherhood Productions, Inc. to film under the 195 construction site on Wednesday, August 8, 2007. Mr. Feinberg explained that Brotherhood Production is seeking permission to film scenes for the Showtime series "Brotherhood" on August 8, 2007, from 3:00 p.m. to 10:00 p.m. at a site located at the end of South Water Street in the City of Providence. Mr. Feinberg indicated that this request has been discussed with Director Williams of the Department of Transportation as well as with Paul Grimaldi, who is the construction site manager. The Film Location Agreement has been reviewed by the Department of Transportation's legal counsel, Attorney Louis DeQuattro of the



Department of Administration and Mr. Woolley of the Department of Attorney General. Mr. Feinberg indicated that Brotherhood Productions, Inc. will pay a fee of \$600.00 to the State of Rhode Island. The Agreement also contains a condition whereby the State of Rhode Island will assign a resident engineer inspector or other staff as is deemed necessary and Brotherhood Productions, Inc. has agreed to pay for that person's services. Brotherhood Productions, Inc. has also agreed to restore the subject property to its former state. Chairman Flynn if any traffic rerouting will be necessary. Mr. Ramsey indicated that the film site is underneath the new 195 bridge so traffic will not be impacted. Mr. Woolley asked if Mr. Feinberg had received the final revised proposed Agreement from David Sasso of the Department of Transportation, which includes numerous revisions. Mr. Feinberg indicated that he received the final revised proposed Agreement from the Department of Transportation, which is the Agreement before the Committee at this time. Mr. Woolley asked to review the Agreement. Mr. Pagliarini asked if all necessary insurance coverage is in place. Mr. Feinberg indicated that all insurance coverage is in place. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Kay.

Passed Unanimously

ITEM D -Department of Environmental Management -A request for conceptual approval for the acquisition of Development Rights to three (3) farms (Dutra, Ceppi and Neale) located in the Town of Jamestown totaling approximately 131 acres of land. Ms. Primiano presented site maps of the subject property for review by the Committee. Ms. Primiano indicated that this request is being made on behalf of the Rhode Island Agricultural Land Preservation Commission and the Commission is requesting conceptual approval to move forward with the preparation of the purchase and sale

contracts for these three (3) farms. The first farm is known as the Dutra Farm. Dutra Farm is a dairy farm consisting of approximately eighty (80) acres of land. The second farm is known as the Neale Farm and consists of approximately thirty (39) acres of land. Ms. Primiano indicated that the Neale Farm is a very scenic property, which features "oreo cows" and it specializes in grass fed beef. The third farm is known as the Ceppi Farm. Mr. Primiano indicated that approximately one third of this property is located in the Town's drinking water watershed. Ms. Primiano indicated that the Ceppi Farm is also home to the Jamestown Community Farm Program. There are approximately one hundred fifty 150 volunteers that grow somewhere between 10,000 and 12,000 lbs of vegetables, which are donated to needy families, soup kitchens and the food banks. The Jamestown Community Farm has been doing this for last seven years. Ms. Primiano indicated that all three of the farms have completed applications, which have been submitted, approved and scored by the Rhode Island Agricultural Land Preservation Commission. Additionally, the Department of Environmental Management applied for grants through the USDA's Farm and Ranch Land Protection Program, on behalf of all three of the farms. The USDA's Farm and Ranch Land Protection Program is a competitive grant process and the Department of Environmental Management has received funding through said program as well. Ms. Primiano indicated that the funding breakdown before the Committee shows that the total value of all three farms is \$1.7 million dollars. Ms. Primiano stated that the transactions are currently being negotiated and the State of Rhode Island is participating through Mary Kay's presence, the Town of Jamestown's Manager and the Land Trust in negotiating with each one of the property owners. Ms. Primiano stated that the appraisals have just recently been received and will

be reviewed. Mr. Primiano indicated that the Department of Environmental Management is hopeful that they will receive partial landowner donations. Ms. Primiano stated that the Department of Environmental Management is also in line to receive funding from the Nature Conservancy in the approximate amount of \$250,000. The Town and the Land Trust are undertaking a major fund raising campaign through private donations and through a referendum, which will be on the ballot in early September of 2007. The federal funding elements of these acquisitions are under a time constraint as some of the funds expire on September 30, 2007, at the end of the federal fiscal year. Chairman Flynn asked if the referendum fails, would these acquisitions be derailed. Ms. Primiano stated that if the referendum fails, two of the acquisitions could proceed with the amount of money in place at this time. However, an acquisition of one of the farms may have to be deferred. Mr. Pagliarini asked how the Farmland Commission determines, which properties should be purchased throughout the State. Ms. Kay explained that the Farmland Commission develops criteria for farms and some of the elements of said criteria are soil type, development pressure, whether the property is located within a watershed, and its proximity to other open space. Ms. Kay indicated that a property must score at least 24 of the 40 elements to be accepted to the program. Ms. Kay indicated that the Dutra Farm scored in excess of 30 points out of the total 40. Ms. Primiano informed the Committee that the Town wants to put some architectural guidelines on any buildings and control the development. Ms. Primiano indicated that the Town's interest is somewhat in agriculture; however, its interest is very much from a scenic stand point. Ms. Kay stated that the Town will acquire a public right of access for a public walking

trail along the Neale Farm which overlooks Dutra Farms and the marshland area. A motion was made to approve by Mr. Woolley and seconded by Mr. Kay.

Passed Unanimously

ITEM E -Department of Environmental Management -A request was made for conceptual approval for the acquisition of Development Rights over 116 acres of land known as Treaty Rock Farm located in the Town of Little Compton. Ms. Primiano indicated that this request is being made on behalf of the Rhode Island Agricultural Land Preservation Commission for the Committee's conceptual approval to negotiate a purchase and sale contract for the acquisition of development rights. Ms. Primiano presented site maps of the subject property for review by the Committee. Ms. Primiano indicated that this acquisition includes a number of other partners including local partners and the Federal Farm and Ranch Land Protection Program. Ms. Primiano indicated that the subject property was reviewed and scored by the Farmland Commission. The appraised value of the subject property is \$3.91 million dollars and the Little Compton Agricultural Land Conservancy Trust has negotiated a transaction at \$3.6 million dollars. The Rhode Island Agricultural Land Preservation Commission's contribution is \$750,000. The Little Compton Agricultural Conservancy Trust will contribute \$1,900,000 and the Nature Conservancy will contribute \$950,000, some of which will be raised privately. Ms. Primiano indicated that the Little Compton Agricultural Conservancy Trust's contribution of \$1,900,000 includes federal monies and as well as a Scenic Highway Grant. Ms. Primiano indicated that the subject property has quite a bit of frontage on the Sakonnet River. Ms. Primiano indicated that the property is actively farmed. Ms. Primiano presented photographs of the subject property for the Committee's

review. Ms. Primiano indicated that this project is very important on a local level and the Little Compton Agricultural Conservancy Trust is primarily responsible for pulling this project together. A motion to approve was made by Mr. Pagliarini and seconded by Mr. Griffith

Passed Unanimously

ITEM G -Department of Environmental Management -A request was made for approval of a one (1) year renewal of the Lease Agreement for the Meadowbrook fishing access situated on Route 91 State Highway in the Town of Richmond. Ms. Primiano explained that this is a request for a one year renewal of a current Lease Agreement between the Department of Environmental Management and Tuckahoe Turf Farm for public access at Meadowbrook Point. Ms. Primiano indicated that there is no fee associated with this lease, which expired last year. The parties are currently discussing a more permanent or longer term lease; however, Tuckahoe Turf Farm is in the process of examining its real estate and making some major decision at this time. Therefore, Tuckahoe Turf Farm agreed to grant the Department of Environmental Management a one year extension of the lease. Tuckahoe Turf Farm is anxious to have the extension formalized due to liability concerns. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

ITEM H -Department of Environmental Management -This item was deferred to the August 21, 2007, meeting of the State Properties Committee at the request of the Department of Environmental Management.

ITEM I -University of Rhode Island -A request was made for approval of and signatures on a Telecommunications License Agreement between CoxCom, Inc., d/b/a Cox Communications New England and the University of Rhode Island. Mr. Saccoccio explained that this License Agreement will allow Cox Communication to connect fiber to the Hom Building located on the Narragansett Bay Campus, which houses the University of Rhode Island Graduate School of Oceanography . Mr. Saccoccio indicated that he has reviewed the License Agreement and has made significant revisions to comply with the requirement of the State Properties Committee. Mr. Woolley of the Department of Attorney General has also reviewed the License Agreement and has asked for one additional change, to which both the University of Rhode Island and Cox Communications have agreed. Mr. Woolley asked that the Indemnification section of the License Agreement be revised to include the following language: "bodily injury and death". Mr. Saccoccio stated that the License Agreement contains a termination clause which allows the University of Rhode Island to terminate this Agreement upon sixty (60) days notice to Cox Communications after the first year. A motion to approve was made by Mr. Woolley and seconded by Mr. Kay.

Passed Unanimously

ITEM J -University of Rhode Island -A request was made for conceptual approval to engage a qualified real estate appraisal firm to proceed with the development of a summary appraisal of the former Sigma Alpha Epsilon fraternity house located on Upper College Road in the Town of Kingston. Mr. Wyman explained that in May of 1998, the State Properties Committee supported the Board of Governor's execution of a Lease Agreement with the Sigma Alpha Epsilon Fraternity. Said Lease Agreement

required the fraternity to finance and undertake approximately \$600,000 in renovations to the fraternity house, which was in very poor condition. The fraternity house became a showcase and is a very important facility for the University of Rhode Island International Engineering Program. The Lease Agreement will expire in May of 2008. Mr. Wyman explained that the Board of Governor has the right to acquire the subject property at the expiration of the Lease Agreement. Mr. Wyman indicated that the alumni corporation of the fraternity is interested in entertaining the sale of the property. Mr. Wyman indicated that the parties are at the commencement stage of a negotiation on a purchase of the subject property. Mr. Wyman explained that the subject property has approximately thirty five (35) tenants associated with the International Engineering Program. Mr. Wyman indicated that an installment purchase agreement is being considered, which would enable the room and board fee revenue from the house to be applied annually toward the satisfaction of the purchase price. Therefore, the University of Rhode Island is seeking the State Properties Committee's approval to engage an appraisal firm to begin the negotiation process. Chairman Flynn clarified that the building is no longer used as a fraternity. The building has not operated as a fraternity house since May of 1998.

A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

The Committee moves to go into Executive Session, pursuant to Rhode Island General Law 42-46-5(a)(5) for the specific purpose of discussion or consideration related to the acquisition or lease of real property for public purpose, or of the disposition of publicly held property wherein advanced public information would be detrimental to the interest of the public.

A motion was made to enter into Executive Session by Mr. Griffith and seconded by Mr. Pagliarini. A roll call vote was taken and the votes were as follows: Mr. Kay

voted "Aye", Mr. Griffith "Aye", Mr. Woolley voted "Aye"; Mr. Pagliarini voted "Aye" and Chairman Flynn voted "Aye".

The State Properties Committee closed the Executive Session and returned to open session at 11:54 a.m.

ITEM E1 -Department of Transportation -A request was made for authorization to effect an administrative settlement in conjunction with Condemnation Plat 2687/Parcel SA (AP 186/Lot 5), Army Aviation Expansion-Quonset State Airport. After a discussion in Executive Session, a motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM E2 -Department of Transportation -A request for approval of the acquisition of a permanent easement relative to the construction of a portion of the Blackstone River Bikeway (Segment 7C) in the City of Woonsocket. After a discussion in Executive Session, a motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

There being no further business to come before the State Properties Committee, the meeting was adjourned at 11:55 a.m. A motion was made to adjourn by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

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Holly H. Rhodes, Executive Secretary